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Macroeconomic policy questions: Commodities

South Africa:* draft resolution

Commodities

The General Assembly,

Recalling its resolutions 59/224 of 22 December 2004, 61/190 of 20 December 2006, 63/207 of 19 December 2008, 64/192 of 21 December 2009, 66/190 of 22 December 2011 and 68/203 of 20 December 2013 on commodities,

Recalling also the United Nations Millennium Declaration adopted by Heads of State and Government on 8 September 2000,[1] the 2005 World Summit Outcome adopted on 16 September 2005[2] and its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals,

Reaffirming its resolution 70/1, entitled "Transforming our world: the 2030 Agenda for Sustainable Development", recognizing that it builds upon the Millennium Development Goals and seeks to complete their unfinished business, and stressing the importance of the implementation of this new ambitious Agenda, which has poverty eradication at its core and aims at promoting the economic, social and environmental dimensions of sustainable development,

Recalling that the 2030 Agenda for Sustainable Development acknowledged the importance of adopting measures to ensure the proper functioning of food commodity markets and their derivatives and to facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility, and called for supporting domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities,

* On behalf of the States Members of the United Nations that are members of the Group of 77 and China.

[1] Resolution 55/2.

[2] Resolution 60/1.

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Taking note of the ongoing efforts to implement the Programme of Action for the Least Developed Countries for the Decade 2011-2020,[3] adopted in May 2011 at the Fourth United Nations Conference on the Least Developed Countries, the SIDS Accelerated Modalities of Action (SAMOA) Pathway,[4] adopted in September 2014 at the third International Conference on Small Island Developing States, and the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024,[5] adopted in November 2014 at the second United Nations Conference on Landlocked Developing Countries, and recognizing the need to establish a plan of action for cooperation with middle-income countries,

Recalling the African Union's Agenda 2063, as well as its first 10-year implementation plan, as a strategic framework for ensuring a positive socioeconomic transformation in Africa within the next 50 years, its continental programme embedded in the resolutions of the General Assembly on the New Partnership for Africa's Development (NEPAD), and regional initiatives,

Taking note of the targets set out in the Declaration of the World Summit on Food Security, held in Rome from 16 to 18 November 2009, which reaffirms the pledge to end hunger and poverty,[6]

Noting the High-level Task Force on the Global Food Security Crisis, established by the Secretary-General in 2008, and his Zero Hunger Challenge initiative, set up in 2012,

Recalling the Conference on the World Financial and Economic Crisis and Its Impact on Development and its outcome document,[7]

Recalling also the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002, and the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in Doha from 29 November to 2 December 2008,

Reaffirming its resolution 69/313, entitled "Addis Ababa Action Agenda of the Third International Conference on Financing for Development", which is an integral part of the 2030 Agenda for Sustainable Development and supports, complements and helps to contextualize its means of implementation targets with concrete policies and actions within the framework of a revitalized Global Partnership for Sustainable Development,

Recalling that the Addis Ababa Action Agenda expressed concern about the excessive volatility of commodity prices, including for food and agriculture and its consequences for global food security and improved nutrition outcomes, called for measures to ensure the proper functioning of food commodity markets and their derivatives and for relevant regulatory bodies to adopt measures to facilitate timely, accurate and transparent access to market information in an effort to ensure that commodity markets appropriately reflect underlying demand and supply changes and to help to limit excess volatility of commodity prices, and recognized the importance of an enabling environment at all levels, including enabling regulatory

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[3] *Report of the Fourth United Nations Conference on the Least Developed Countries, Istanbul, Turkey, 9-13 May 2011* (A/CONF.219/7), chap. II.

[4] Resolution 69/15, annex.

[5] Resolution 69/137, annex II.

[6] See Food and Agriculture Organization of the United Nations, document WSFS 2009/2.

[7] Resolution 63/303, annex.

and governance frameworks, in nurturing science, innovation, the dissemination and transfer of technologies, particularly to micro, small and medium-sized enterprises, as well as industrial diversification and value added to commodities,

Taking note of the outcome of the thirteenth session of the United Nations Conference on Trade and Development,[8] and of further decisions and agreed conclusions on commodities adopted by the Trade and Development Board and its subsidiary bodies in 2014 and 2015,

Taking note also of the Arusha Declaration and Plan of Action on African Commodities, adopted at the African Union Conference of Ministers of Trade on Commodities, held in Arusha, United Republic of Tanzania, from 21 to 23 November 2005, and endorsed by the Executive Council of the African Union at its eighth ordinary session, held in Khartoum from 16 to 21 January 2006,[9]

Recalling the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation),[10] and the outcome document of the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, from 20 to 22 June 2012, entitled "The future we want",[11]

Taking note with appreciation of the United Nations Conference on Trade and Development *Commodities and Development Reports* of 2013 and 2015,

Deeply concerned by the fact that many commodity-dependent developing countries continue to be highly vulnerable to price fluctuations, and recognizing the need to continue efforts to improve the regulation, where appropriate, and the efficiency, responsiveness, functioning and transparency of financial and commodity markets nationally, regionally and internationally in order to address excessive commodity price volatility,

Expressing deep concern about the ongoing adverse impacts, particularly on development, of the world financial and economic crisis, recognizing evidence of an uneven and fragile recovery, cognizant that the global economy, notwithstanding significant efforts that helped to contain tail risks, improve financial market conditions and sustain recovery, still remains in a challenging phase, with downside risks, including high volatility in global markets, high unemployment, particularly among youth, growing indebtedness in some countries and widespread fiscal strains, which pose challenges for global economic recovery and reflect the need for additional progress towards sustaining and rebalancing global demand,

Recognizing the adverse impact of excessive price volatility of commodities, especially on women and girls,

Recognizing also that many developing countries continue to be highly dependent on primary commodities as their principal source of export revenues, employment, income generation and domestic savings and as the driving force of investment, economic growth and social development, including poverty eradication,

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[8] See TD/500/Add.1.

[9] See A/60/693, annex II, decision EX.CL/Dec.253 (VIII).

[10] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[11] Resolution 66/288, annex.

Recognizing further, in this context, that developing countries continue to be highly dependent on primary commodities, and recognizing the challenges and special needs of those countries,

Stressing the critical importance of industrial development for developing countries, as a critical source of economic growth, economic diversification and value addition,

Recognizing that uncertainty in global commodity markets reinforces the need to comprehensively deal with the commodity problematique, inter alia, the demand for commodities, supply capacities, commodity revenues and investments in commodity-dependent economies, while taking due account of the diversity of each country's individual situation and needs and the promotion of their sustainable development, and to strengthen the nexus between, inter alia, trade, food, finance, investment in sustainable agriculture, energy and industrialization,

Welcoming the work on consensus-building on commodity-related issues achieved through meetings of the United Nations Conference on Trade and Development, including the multi-year expert meetings on commodities and development, the Global Commodities Forum and the African Oil, Gas and Mines Trade and Finance Conference and Exhibition,

Expressing deep concern at recent trends in global commodity prices and the impact of excessive commodity price volatility on commodity-dependent developing countries,

Noting the recent and marked reversal in commodity prices and that commodity export economies may need to adjust to a possibly protracted period of lower export and fiscal revenues,

Noting also the volatility and unpredictability of commodity prices, which have threatened, inter alia, the food security of net importers in the recent past, and noting further that the continuation of this long-term uncertainty and volatility, intensified by recent trends in commodity prices, can have an impact on the capacities of all developing countries to continue to implement policies for achieving sustainable development and poverty eradication,

Stressing the importance of policies to address longer-term structural issues of the commodity economy and integrate commodity policies into wider development and poverty eradication strategies at all levels,

Taking note of all relevant voluntary initiatives aimed at improving transparency in commodity markets and mitigating the impact of excessive price volatility,

Underlining the importance of timely, accurate and transparent information in helping to address excessive food price volatility, noting global and regional initiatives, including the Agricultural Market Information System and its Rapid Response Forum, hosted by the Food and Agriculture Organization of the United Nations, the joint organization data initiative and other regional data platforms and programmes, and urging the participating international organizations, private sector actors and Governments to ensure the public dissemination of timely and quality food market information products,

Expressing deep concern at the adverse impact of climate change and extreme weather patterns on access to, and the utilization and prices of, agricultural commodities,

Stressing the importance of inclusivity within the United Nations development system, and stressing also that observer States should be taken into account in the implementation of the present resolution,

1. *Takes note* of the report of the Secretary-General on world commodity trends and prospects;[12]

2. *Recognizes* the interlinkage between the proper functioning of commodity markets and the capacity of some commodity export economies to capture revenues and mobilize domestic resources to support their sustainable development, mainly through economic growth, industrialization, decent work and market diversification;

3. *Encourages* support for developing countries, according to their national plans and policies, through technical assistance, to increase their capacity in detecting and averting transfer pricing as well as trade mispricing in their commodities sectors, in order to enhance their benefits from those sectors to support sustainable growth and development;

4. *Reiterates* the need for further efforts to address excessive commodity price volatility, in particular by assisting producers, especially small-scale producers, in accordance with national plans and policies, in managing risk;

5. *Calls upon* the international community to support the efforts of commodity-dependent developing countries to address the factors that create structural barriers to international trade and impede, inter alia, diversification, including tariff and non-tariff barriers, limited access to financial services resulting in scarce resources for investing in the commodity sector, weak infrastructure, particularly regarding both the cost and availability of transportation and storage, and lack of skills in producing and marketing alternative products;

6. *Welcomes* the convening of the Tenth Ministerial Conference of the World Trade Organization, to be held in Nairobi from 15 to 18 December 2015, and stresses the need for a balanced, ambitious, comprehensive and development-oriented outcome;

7. *Calls for* a coherent set of policy actions at the national, regional and international levels to address excessive price volatility and support commodity-dependent developing countries in mitigating negative impacts, in particular by facilitating value addition and enhancing their participation in commodity and related product value chains, by supporting large-scale diversification of these economies and by encouraging the use and further development of market-oriented risk management tools, instruments and strategies;

8. *Stresses* the importance of developing and strengthening agricultural policies and strategies that recognize and address women's critical role in food security and improved nutrition outcomes as an integral part of both short- and long-term responses to food insecurity and malnutrition, excessive price volatility and food crises in developing countries;

[12] A/70/184.

9. *Recognizes* the potential for innovation, productivity improvements and the promotion of non-traditional exports in most commodity-dependent developing countries, particularly in Africa, and calls for enhanced support by the international community as well as exchanges of experience in these areas within the framework of South-South economic cooperation;

10. *Underscores* the importance of increased investments in infrastructure as a means of promoting agricultural development and enhancing commodity diversification, including value-added production, and trade, and urges the international community to assist commodity-dependent developing countries to mainstream trade as well as sound investment and financial policies as key elements of development strategies, based on national circumstances and development priorities, and to invest in and support research and development of agriculture productivity;

11. *Recognizes* the endorsement of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security by the Committee on World Food Security in 2012;

12. *Also recognizes* the ongoing inclusive consultative process within the Committee on World Food Security to develop voluntary and non-binding principles for responsible agricultural investments that are intended for all stakeholders that are involved in, benefit from or are affected by these principles;

13. *Reaffirms* the goal of ending hunger, achieving food security, improving nutrition and promoting sustainable agriculture through, inter alia, the twin-track approach enunciated in the Updated Comprehensive Framework for Action produced by the United Nations system High-level Task Force on the Global Food Security Crisis in September 2010;[13]

14. *Stresses* that technical assistance and capacity-building aimed at improving the commodity export competitiveness of producers is particularly important for developing countries, especially in Africa, and invites the donor community to provide the necessary resources for commodity-specific financial and technical assistance, in particular for human and institutional capacity-building, as well as infrastructure development of developing countries, with a view to reducing their institutional bottlenecks and transaction costs and enhancing their commodity trade and development in accordance with national development plans;

15. *Also stresses* that the Aid for Trade initiative should aim to help developing countries, particularly the least developed countries, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from World Trade Organization agreements and, more broadly, to expand their trade;

16. *Recalls* the agreement to keep under regular review, by the Ministerial Conference and appropriate organs of the World Trade Organization, the impact of the results of the Uruguay Round on the least developed countries as well as on the net food-importing developing countries, with a view to fostering positive measures to enable them to achieve their development objectives, and in this regard calls for the implementation of the Marrakesh Ministerial Decision on Measures Concerning

[13] Available from www.un-foodsecurity.org.

the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-Importing Developing Countries;

17. *Encourages* developed countries that have not already done so and developing countries declaring themselves in a position to do so to take steps towards the goal of realizing timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with the Hong Kong Ministerial Declaration adopted by the World Trade Organization in 2005;

18. *Strongly encourages* international financial institutions and development banks to assist developing countries, in particular commodity-dependent developing countries, in managing the effects of excessive price volatility;

19. *Reaffirms* that every State has and shall freely exercise full permanent sovereignty over all its wealth, natural resources and economic activities;

20. *Recognizes* the importance of increasing efficiency, effectiveness and transparency in the management of public and private sector revenues in developed and developing countries derived from all commodities and commodities-related industries, including final processed goods, in support of development;

21. *Also recognizes* the role that the United Nations Conference on Trade and Development has been playing as an institution in looking at the interaction between commodity markets and economic development and in the elaboration of the concept of commodity-dependent developing countries;

22. *Further recognizes* the important contributions of the Common Fund for Commodities and other international commodities organizations, and encourages them, in cooperation with the International Trade Centre, the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization and other relevant bodies, to strengthen coordination among them and to identify and implement innovative measures to enable the sustainable contribution of the commodity sector to economic development, including ways to reduce vulnerability to volatility in commodities, as well as to enhance activities in developing countries to improve access to markets and the reliability of supply, enhance diversification and the addition of value, improve the competitiveness of commodities, strengthen the market chain, improve market structures, broaden the export base and ensure the effective participation of all stakeholders, on the basis of a shared understanding of the contribution of commodities to sustainable development;

23. *Stresses* that the United Nations Conference on Trade and Development and its partners, in the spirit of inter-agency cooperation and multi-stakeholder partnerships and within their respective mandates, should continue to engage actively in collaborative research and analysis of the commodity problematique and related capacity and consensus-building activities, with a view to providing regular analysis and policy advice relevant to the sustainable development of commodity-dependent developing countries, particularly low-income countries;

24. *Emphasizes* the importance of facilitating accession to the World Trade Organization, particularly for commodity-dependent developing countries, on the basis of clear rules and pre-established objective criteria, taking into account their levels of development and priorities;

25. *Underlines* the urgent need for the provision of and access to trade finance to commodity-dependent developing countries, given the tightened access to all types of credit and noting debt sustainability;

26. *Welcomes* the commitment to redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them, including by combating tax evasion and corruption through strengthened national regulation and increased international cooperation, including the commitment to reduce opportunities for tax avoidance, to consider inserting anti-abuse clauses in all tax treaties and to enhance disclosure practices and transparency in both source and destination countries, including by seeking to ensure transparency in all financial transactions between Governments and companies to relevant tax authorities, while making sure that all companies, including multinationals, pay taxes to the Governments of countries where economic activity occurs and value is created, in accordance with national and international laws and policies;

27. *Decides* to hold a high-level dialogue on commodity markets at United Nations Headquarters during the first half of 2016, as an informal session to review world commodity trends and prospects and how they may have an impact on the achievement of the Sustainable Development Goals, particularly in commodity-dependent countries, with the date and modalities of the dialogue to be set out in a resolution thereon;

28. *Calls upon* all relevant bodies, agencies, funds and programmes of the United Nations system and other relevant intergovernmental, global, regional and subregional organizations, in particular the United Nations Conference on Trade and Development and all relevant international financial and economic institutions, within their respective mandates, to continue to address the issue of commodity markets and their functioning in relation to the capacity of Member States to achieve all Sustainable Development Goals by 2030;

29. *Calls upon* the relevant organizations of the United Nations system, within their respective mandates and resources, to include observer States in the implementation of the present resolution;

30. *Stresses* the importance of the continuing substantive consideration of the sub-item entitled "Commodities", and decides to include the sub-item in the provisional agenda of its seventy-second session, under the item entitled "Macroeconomic policy questions";

31. *Requests* the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to submit to the General Assembly at its seventy-second session a report on the updated assessment of commodity trends and prospects, long-term commodity prices and ways to strengthen coordination among international commodities organizations and other relevant international organizations, as well as ways to assess the impact of recent trends in commodity prices on development in commodity-dependent developing countries.